

House Bill 398

By: Representative Smith of the 113th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 13 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated,
2 relating to licensing of mortgage lenders and mortgage brokers, so as to provide a method
3 by which mortgage lenders, brokers, and servicers make tax payments if such lender, broker,
4 or servicer maintains an escrow account for that purpose; to repeal conflicting laws; and for
5 other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 13 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to
9 licensing of mortgage lenders and mortgage brokers, is amended by revising Code Section
10 7-1-1015, relating to rules relative to escrow accounts, as follows:

11 "7-1-1015.

12 (a) Any mortgage lender, broker, or servicer which maintains an escrow account for the
13 payment of ad valorem taxes relative to the secured real property shall not make payment
14 directly to the taxing unit but rather shall issue a check payable jointly to the borrower and
15 the taxing unit and shall deliver such check to the borrower. The borrower shall, within
16 seven days after receipt of such check, endorse the check and deliver it to the taxing unit;
17 provided, however, that placing the check in the United States mail, postage paid and
18 properly addressed to the taxing unit, within such time period shall constitute timely
19 delivery.

20 (b) The department may promulgate rules with respect to the placement in escrow
21 accounts by any person required to be licensed or registered by this article of any money,
22 fund, deposit, check, or draft entrusted to it by any persons dealing with it as a residential
23 mortgage broker, lender, or servicer."

24 **SECTION 2.**

25 All laws and parts of laws in conflict with this Act are repealed.